

THE DIRECTOR OF
CENTRAL INTELLIGENCE

26 March 1979

National Intelligence Officers

TO: Director of Central Intelligence
VIA: Deputy Director, National Foreign Assessment *RRB*
FROM: STAT
National Intelligence Officer
for China
SUBJECT: Transmittal of Report

Transmitted herewith is the report on the current situation in Indochina, as per your request. It was coordinated with the NIO for East Asia and internally in ORPA.

Attachment:
Report, as stated

STAT

Distribution:

- Orig. - Addressee, w/att.
- 1 - DDCI, w/att.
- 1 - DD/NFA, w/att.
- 2 - NIO/CH, w/att.
- 1 - NFAC Reg., w/att.

1545-79

Indochina: Phase II

1. Fighting along the China-Vietnam border has now all but ceased, and the withdrawal of Chinese forces which was announced by Beijing on 5 March is virtually complete. Nevertheless, tensions along the border and in the Indochina region as a whole remain high and prospects for any relaxation in the immediate future appear dim. Until the final stages of the fighting between China and Vietnam only those two countries and Kampuchea were directly involved, but now Laos has been drawn in as a protagonist. Further back the Soviet Union has maintained -- and even stepped up -- its activities in support of Vietnam and has also been conducting a series of unusually large-scale maneuvers in areas of the Soviet Union and Mongolia adjacent to the Sino-Soviet border. Although Phase I in Indochina, that of active combat, appears over, a new phase is developing which at the minimum will be characterized by intensive political maneuvering (possibly backed by some use of force) and at worst could result in a resumption of hostilities on a scale greater than before.

2. Chinese Military Position: The Chinese troops which participated in the Vietnam fighting are now occupying positions close to the China-Vietnam border with most units within 10 kilometers of the border. We estimate that 8 full Chinese armies plus elements of 2 additional armies (about 420 thousand men) are now concentrated in positions near the border. There are no indications of any Chinese units being returned to their original bases. In addition, approximately 800 Chinese combat aircraft remain at the 10 airfields in China closest to the border. The Chinese are equally capable of renewing an attack on Vietnam or putting up a very strong defense against any Vietnamese attack against China.

3. Vietnamese Military Position: Just as the Chinese announced their troop withdrawal from Vietnam, the Vietnamese ordered a nation-wide mobilization and began what we believe to be a significant effort to reinforce their troops along the border. The national mobilization continues in effect, as does the reinforcement effort. Vietnamese units facing the Chinese as the fighting ended consisted of 2 and perhaps as many as 4 main force divisions, together with 7 economic construction

STAT [REDACTED]

SECRET

25X1

divisions. Since then, the entire Vietnamese II Corps has been ordered northward. This involves the movement of 1 division from Kampuchea (the Kompong Som area) and 2 divisions from Laos. Forces from elsewhere in both Kampuchea and South Vietnam are also believed to be moving up in considerable strength. An estimated 50,000 Vietnamese troops are now in the north, with an additional 50,000 now moving in. Vietnam is also upgrading the equipment in the hands of these troops. Unfortunately, firm data on the composition and size of the Vietnamese order-of-battle is lacking.

4. To fill the vacuum left behind in Kampuchea, the Vietnamese are sending in conscripts, many from South Vietnam, and amalgamating miscellaneous battalion and regimental-size units into new divisions. Specialists to fill out the ranks of these divisions are being supplied through the mobilization, which has thus far not involved wholesale recruitment into the military. The ad hoc arrangements Hanoi has taken to fill the gap in Kampuchea indicates that Vietnam remains determined to hang on to that country.

5. Laos: A new element in the equation is Laos, which until the eve of the Chinese withdrawal had apparently hoped to maintain at least a minimal relationship with China despite its close ties to Vietnam. However, after both the Soviet and Vietnamese accused the Chinese of attempting to intrude into Laotian territory, the Lao joined the anti-China chorus and are presently echoing all the accusations against Beijing which emanate from Moscow and Hanoi. They have in addition demanded the cessation of all Chinese road-building activity in Laos and the removal of all Chinese construction personnel. The Chinese say they will comply and deny the accusations against them.

6. The reasons are obscure for the rather abrupt activation of Laos as an issue between China and Vietnam but it can be speculated that Vietnam (and the USSR) wanted to find an area where the "hegemonist" label could be pinned on the Chinese, and also to drive Laos closer into the "unity of Indo-chinese peoples" which Vietnam is seeking to establish under its tutelage. By injecting Laos into Sino-Vietnamese relations, Vietnam may be moving China towards undertaking efforts to stir-up anti-government elements in Laos -- an accusation which they have already and (probably incorrectly) made against China.

SECRET

25X1

7. Kampuchea: Militarily and politically, conditions in Kampuchea remain essentially unchanged: the Vietnamese forces occupy the cities and towns but the Pol Pot forces control large areas of the countryside and are effectively interdicting Vietnamese lines of communication. The Pol Pot forces have problems of their own, focussing on shortages of food, arms and ammunition. The Vietnamese are suffering significant casualties and are hard-pressed to maintain what hold on Kampuchea they possess; their difficulties are likely to be magnified as veteran Vietnamese troops being withdrawn are replaced by conscripts and scratch divisions. So far, at least, the Vietnamese have been unable to establish anything approaching a credible Kampuchean administration under the Heng Samrin regime set up under their auspices. Khmer residents of Vietnam with some degree of literacy are now being rounded up and sent into Kampuchea to form the nucleus of a civil government, but their numbers (and competence) are hardly sufficient.

8. It has become evident that Pol Pot fighting a guerrilla war against the Vietnamese is no improvement over Pol Pot running the Kampuchean government from Phnom Penh -- his forces are assuring that the populace does not cooperate with the Vietnamese invaders by means of bloody reprisals rather than through winning hearts and minds. These methods appear effective and coupled with the historical Kampuchean hatred of Vietnamese will probably continue to keep the Vietnamese forces isolated. Meanwhile, supplies are reaching the Pol Pot forces via Thailand, which has evidently set aside an island in the Gulf of Thailand near Kampuchea as a central point where material can be off-loaded from Chinese ships and transferred to the interior of Kampuchea.

9. The Soviet Role: The Soviet naval presence in the South China Sea waters adjacent to North Vietnam is being maintained, with a 10-12 ship task force on station south of Hainan and elements from this force occasionally visiting Haiphong and Danang. A [] source has reported that the Soviets have asked the Vietnamese for base rights, "logistical support points," and portcalls by Soviet ships on an ad hoc basis. Other reports say the Vietnamese have rejected the Soviet base request, but there is evidence the Soviets are, in fact, providing seaborne logistical support to Vietnam (alligator

25X1

class LSTs have both brought in supplies from the USSR and, in at least one instance, ferried military cargo from Ho Chi Minh City to Danang). "Support points" might be legitimately requested by the Soviets to sustain this effort. A Soviet airlift is also continuing, with flights by Soviet AN-12s and other types of transports arriving in Hanoi and Danang from the USSR on a regular basis. We have seen evidence of new shipments of SA-3 equipment. MIG-21s have also been flown in aboard Soviet transports. The Soviets, however, have not really offered all-out support, material or verbal, to their erstwhile allies, and the Vietnamese are rumored to have complained about this.

10. The Soviet-Vietnamese relationship is probably in a process of evolution. There are reports that Pham Van Dong visited Moscow for several days in early March. Presumably discussions between the two parties are continuing on the scale and nature of Soviet aid to Vietnam, as well as on the scope of the future Soviet presence there, e.g., access to air and naval facilities at Danang, Cam Ranh Bay, or other sites. The Vietnamese may have second thoughts about the role they wish the Soviets to assume based on the price they would be expected to pay. If history is any judge, the price would be high: in 1958, during the Taiwan Strait crisis, Soviet offers of assistance to China were tied to demands for base rights as well as virtual control of the Chinese navy (Beijing turned the "offer" down). As noted, the Vietnamese may have already rejected a Soviet bid to establish bases, but it is still too early to see what kind of a sustained presence, if any, the Soviets will emerge with.

11. The Soviets have also attempted to influence developments in Indochina by conducting unprecedentedly large-scale military maneuvers along the Sino-Soviet border. In a major exercise, the Soviets have flown in an airborne unit from the Western Soviet Union, activated a new Front Headquarters, took equipment out of storage, and upgraded a Category III, or cadre, division to take part in a maneuver in Mongolia. This operation concludes an airborne landing in central Mongolia. The Soviets appear to have two aims in view: to test their own preparedness arrangements, and to demonstrate graphically to the Chinese that they have the muscle to inflict great harm on China -- a demonstration that, significantly, is taking place only after the fighting in Vietnam has subsided.

12. Political Track: When the Chinese announced their withdrawal they also called for negotiations with Vietnam to resolve outstanding border problems, and the Vietnamese accepted at the Vice Foreign Minister level provided the Chinese withdrew completely from Vietnamese territory--or what Vietnam now claims as Vietnamese territory, defined under the rubric of "historic borders." The Vietnamese claim that Chinese troops are still on their soil--as many as 100,000 troops in 16 spots. The Vietnamese further allege that the Chinese have shifted some of the border markers into Vietnam's territory. The discrepancies are probably trivial, but if Vietnam wishes to hold up talks, which are supposed to begin March 29 in Hanoi and move later to Beijing, they have established a pretext.

13. By delaying the talks the Vietnamese presumably would want to see world opinion turn more against the Chinese due to "aggression" and occupation of Vietnamese territory, thus putting China at a disadvantage. On the other hand, they are not going to get much if any support for their idea that the Chinese evacuate territory they have held for over 30 years in order to enter into talks. For their part, the Chinese probably would like to introduce other elements such as Kampuchea into the proceedings and this, too, the Vietnamese probably would wish to avoid. It is therefore problematical whether the border negotiations will actually get beyond the formalities and into matters of substance for some time to come.

14. A number of countries outside Indochina, including the ASEAN nations, Australia, and New Zealand, have been active in the political arena and have, among other things, considered the possibility of convening a new Geneva conference to address Indochina questions, perhaps including establishment of a coalition government in Kampuchea. (An ASEAN-sponsored resolution before the UN Security Council calling for the withdrawal of all "foreign forces" from the countries of Indochina was vetoed by the Soviets. The Chinese voted for the resolution, having already removed their troops.) Although not much hope of success is being held out by those concerned, there is a possibility, at least, that at some point Vietnam and the USSR might agree to some sort of international conference, and eventually a coalition government in Kampuchea as well. The Chinese would be happy to see a forum of this nature develop if it could be focussed on the Vietnamese occupation of Kampuchea, but foresee many difficulties ahead, especially in getting Vietnamese and Soviet agreement. This in turn would

require the Vietnamese to admit their inability to bring Kampuchea under their control. Possibly a more active political scene might have to await further developments on the battlefield in Kampuchea.

15. An actor who has yet to emerge on the stage is Prince Sihanouk, who remains in Beijing but is resisting Chinese efforts to become titular head of a "united front" Kampuchean resistance against the Vietnamese. Sihanouk is refusing to work together with Pol Pot, Ieng Sary and Khieu Samphan, and instead would like to see a "neutral" Kampuchean regime established entirely without Pol Pot -- one which would maintain good relations with both China and Vietnam. The Chinese would probably be prepared to accept a Kampuchean neutrality something like Sihanouk envisages, a situation that would give them less than they had in 1975-78 but would leave the Vietnamese with much less than they have today. However, their problem in inducing a political arrangement remains either getting rid of Pol Pot or inducing him to step into the background to open the stage for Sihanouk. Pol Pot, now heading a successful Kampuchean resistance, seems unlikely to agree.

16. Conclusion: In sum, although the fighting between Vietnam and China has subsided to a very low level and the threat of an enlarged conflict for the moment appears reduced, the conflict in Indochina is by no means over. Vietnam is looking for ways to repair its damaged image while clinging to Kampuchea, and the Soviets are backing them. While political contacts between the Vietnamese and the Chinese may yet ensue, the spectre of further fighting remains as well. Sihanouk has not yet assumed an influential role. The Soviet Union may have advanced its strategic and political interests in Vietnam, and retains the option of applying major military pressure against the Chinese along the Sino-Soviet border. At the moment, the Chinese find themselves in the best position of all, having left the Vietnamese overextended militarily and weakened economically. The Chinese may now hope to see Vietnam drain its resources as a result. The crucial decisions for the future lie in Vietnamese hands. They will have to decide whether they can afford continuation of the current situation and a great dependence on Moscow, or some degree of accommodation with Beijing.